

FACTSHEET

TITLE: A Resolution requested by the Director of the Urban Development Department and the Economic Development Aide to the Mayor, declaring the West "O" Street Redevelopment Area as blighted and substandard, as determined by the *West "O" Street Blight and Substandard Determination Study*.

STAFF RECOMMENDATION: A finding that the West "O" Street Redevelopment Area is blighted and substandard (**Miscellaneous No. 05015**).

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 08/17/05
Administrative Action: 08/17/05

RECOMMENDATION: A finding of blighted and substandard (9-0: Esseks, Krieser, Pearson, Taylor, Sunderman, Carroll, Larson, Carlson and Bills-Strand voting 'yes').

FINDINGS OF FACT:

1. This is a request to determine whether the West "O" Street Redevelopment Area should or should not be declared blighted and substandard pursuant to Neb.Rev.Stat. § 18-2103(11). After an area is declared blighted and substandard, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment Plan activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. The complete Blight and Substandard Study is being provided on cd-rom under separate cover; a hard copy is also being submitted to the City Clerk and the City Council Office; the Executive Summary of the Study is found on p.17-26.
3. The staff recommendation to find the area to be blighted and substandard is based upon the "Analysis" as set forth on p.3-5, concluding that the *West "O" Street Redevelopment Area* qualifies as blighted and substandard within the definition of the Nebraska Community Development Law, as determined by the *West "O" Street Blight and Substandard Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the Comprehensive Plan.
4. The applicant's presentation is found on p.7-8, and testimony in support is found on p.8. The record also consists of a letter in support from the Lincoln Chamber of Commerce (p.27).
5. There was no testimony in opposition.
6. On August 17, 2005, the Planning Commission agreed with the staff recommendation and voted 9-0 to find the West "O" Street Redevelopment Area to be blighted and substandard.
7. **Please Note:** The City Council must take action on this proposed declaration of blight and substandard prior to action on the West "O" Street Redevelopment Plan (05R-224).

FACTSHEET PREPARED BY: Jean L. Walker

DATE: September 12, 2005

REVIEWED BY: _____

DATE: September 12, 2005

REFERENCE NUMBER: FS\CC\2005\MISC.05015 Blight

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for August 17, 2005 PLANNING COMMISSION MEETING

- P.A.S.:** Miscellaneous #05015
West "O" Street Redevelopment Area: Blight and Substandard Determination Study
- PROPOSAL:** Darl Naumann, Aide to the Mayor's Office for Economic Development and Marc Wullschleger, Director of the Urban Development Department, has forwarded a request to review the *West "O" Street Blight and Substandard Determination Study* and to recommend the Redevelopment Area be declared blighted and substandard.
- CONCLUSION:** The West "O" Street Redevelopment Area qualifies as blighted and substandard within the definition set forth in the Nebraska Community Development Law, NEB REV STAT § 18-2103, as determined by the *West "O" Street Blight and Substandard Determination Study*. The Blight and Substandard Determination Study is consistent with the redevelopment and revitalization activities identified in 2025 Comprehensive Plan.

RECOMMENDATION:	Finding that there is a reasonable presence of blighted and substandard conditions in the Redevelopment Area as per § 18-2103 (11) Nebraska Revised Statutes.
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GENERAL INFORMATION:

- LOCATION:** An area generally bounded by 10th Street on the east, a ½ mile west of NW 70th Street on the west, and either side of West "O" Street, but located south of Interstate 80 and north of the Burlington Railroad Yard on the south.
- PURPOSE:** Nebraska Community Development Law, NEB REV STAT § 18-2109 requires the Planning Commission to review whether an area is substandard and blighted. A recommendation of the Planning Commission is required to be provided to the City Council prior to a redevelopment area being declared blighted and substandard.
- LEGAL DESCRIPTION:** See Appendix.

COMPREHENSIVE PLAN SPECIFICATIONS:

Guiding Principles for the Urban Environment - Overall Form

Maximize the community's present infrastructure investment by planning for residential and commercial development in areas with available capacity. This can be accomplished in many ways including encouraging appropriate new development on unused land in older neighborhoods, and encouraging a greater amount of commercial space per acre and more dwelling units per acre in new neighborhoods. (F 17)

Encourage mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial and retail uses. (F 18)

Preserve and enhance entryway corridors into Lincoln and Capitol View Corridors. (Page F 19)

Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented. (page F 49)

Maintain and encourage retail establishment and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods. (page F 49)

Encourage efforts to find new uses for abandoned, under utilized or "brownfield" sites that are contaminated. (Page F 49)

ANALYSIS:

1. This is a request to determine whether the West "O" Street Redevelopment Area should or should not be declared blighted and substandard per § 18-2103 (11) Nebraska Revised Statutes. After an area is declared blighted and substandard, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. The Redevelopment Area comprises 1,361.3 acres. Approximately 60% of the land is vacant, 15% is in right-of-way, 20% is in commercial or industrial use, and 5% is residential or other uses.
3. The Blight and Substandard Determination Study is consistent with revitalization activities outlined in the 2025 Comprehensive Plan.
4. A consultant was hired by the City of Lincoln to conduct the study to determine whether or not there was a presence of substandard or blighting conditions in the study area per § 18-2103 (11) Nebraska Revised Statutes.
5. A **substandard** area is defined in the Nebraska Revised Statutes as containing a predominance of buildings with the presence of the following **four** conditions:
 1. Dilapidation/deterioration
 2. Age or obsolescence
 3. Inadequate provision for ventilation, light, air, sanitation or open spaces
 4. a) High density of population and overcrowding; or
b) The existence of conditions which endanger life or property by fire and

other causes; or

c) Any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, and is detrimental to the public health, safety, morals or welfare.

6. The consultant conducted a detailed exterior structural survey of 255 structures, a parcel-by-parcel field inventory, interviews with City staff, and a review of pertinent reports and documents in order to determine if substandard conditions were present in the area. There are 255 structures located in the Redevelopment Area. A field study of exterior building conditions found that 48 or 19% of the structures were deteriorating or dilapidated. The field survey found that 7 of the 140 commercial/industrial structures were substandard and had a major deficiency. (Pages 24-25 of Blight and Substandard Determination Study)
7. The consultant concluded that the area could be considered substandard because **three** of the **four** factors were found to be present to a reasonable extent, and one to a strong extent. The factors were found to be reasonably distributed throughout the study area.
8. The factors that were found to be present to a reasonable extent were:
 - # Dilapidation/ deterioration.
 - # Age or obsolescence.
 - # Inadequate ventilation, light, air, sanitation or open spaces.

The presence of conditions which endanger life or property by fire and other causes was found to a strong extent.

9. A **blighted** area is defined in the Nebraska Revised Statutes as having the presence of **twelve** conditions:
 1. A substantial number of deteriorated or deteriorating structures;
 2. Existence of defective or inadequate street layout;
 3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 4. Insanitary or unsafe conditions;
 5. Deterioration of site or other improvements;
 6. Diversity of ownership;
 7. Tax or special assessment delinquency exceeding the fair value of the land;
 8. Defective or unusual conditions of title;
 9. Improper subdivision or obsolete platting;
 10. The existence of conditions which endanger life or property by fire or other causes;
 11. Any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability;
 12. Is detrimental to the public health, safety, morals, or welfare in its present condition and use; and in which there is at least one of the following conditions:
 - a) Unemployment in the designated blighted area is at least one hundred twenty percent of the state or national average;

- b) The average age of the residential or commercial units in the area is at least 40 years;
 - c) More than half of the plotted and subdivided property in the area is unimproved land that has been within the City for 40 years and has remained unimproved during that time;
 - d) The per capita income of the designated blighted area is lower than the average per capita income of the city or City in which the area is designated; or
 - e) The area has had either stable or decreasing population based on the last two decennial censuses.
10. The area was reviewed to determine if the blighting factors were present to an extent that public intervention was appropriate or necessary, and that the factors were reasonably distributed throughout the study area.
11. The consultant determined that **six** of the blighting factors were present to a strong extent; **four** were present to a reasonable extent; and **two** factors were not present.
12. The **six** blighting factors found to be present to a strong extent were:
- # Faulty lot layout.
 - # Insanitary or unsafe conditions.
 - # Deterioration of site or other improvements.
 - # Improper subdivision or obsolete platting.
 - # Existence of conditions which endanger life or property by fire or other causes.
 - # Other environmental and blighting factors.
13. It is the conclusion of the Consultant that the number, degree and distribution of blighting factors, as documented in this Study, are beyond remedy and control solely by regulatory processes in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Nebraska Community Development Law. The findings of this Blight and Substandard Determination Study warrant designating the Redevelopment Area as substandard and blighted.
14. A copy of the executive summary of the report is attached. The full report is on file with the Urban Development Department and the Planning Department.

Prepared by:

Duncan L. Ross, AICP
Planner

DATE: August 11, 2005

APPLICANT: Darl Naumann
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Lincoln, NE 68508
Phone: 441-7514

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Urban Development Department.
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CONTACT: Ernesto Castillo
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MISCELLANEOUS NO. 05015
WEST “O” STREET
BLIGHT AND SUBSTANDARD DETERMINATION

PUBLIC HEARING BEFORE PLANNING COMMISSION:

August 17, 2005

Members present: Esseks, Krieser, Pearson, Taylor, Sunderman, Carroll, Larson, Carlson and Bills-Strand.

Staff recommendation: A finding that the area is blighted and substandard.

Ex Parte Communications: None.

Proponents

1. Darl Naumann, Economic Development Coordinator for city and county, made the presentation. Two years ago, the city was approached by the West O Area Business Association with the question: “How can you make West “O” better for us?” The administration looked at several options and the answer was simple: targeted development with private companies investing on “O” Street is probably the best solution. The blight study is a tool to address targeted development.

The West “O” Area Business Association begins at the Harris Overpass and continues on to Nebraska Machinery and Lincoln Poultry. The total area studied includes 1361 acres along West “O” Street. The area shares many features from large undeveloped areas from the Harris Overpass to the far reaches of West “O” Street. Sixty percent of the parcels are vacant or undeveloped. The railroad tracks on the south of “O” Street often lead to narrow lot sizes. The area is characterized by lack of sidewalks and dead-end streets. The West “O” Area Business Association and the West “O” Street communities also share two entry points off of Interstate 80. This is a corridor for an entry point into the city. West “O” Street used to be the primary entrance into the city. With I-80 and Capitol Parkway, West “O” Street became an alternate route into the city, resulting in undeveloped areas and what we consider blight.

Naumann explained that designation of this area as blighted and substandard can offer businesses access to facade improvement loans out of the Community Development Block Grant fund, loans that cannot be granted to West “O” without this designation. It also provides possibility for tax increment financing (TIF). TIF is a funding mechanism that cities can use to help pay for costs of public improvements associated with private development and redevelopment projects in areas that have been officially designated as blighted and substandard. While TIF has been utilized in Nebraska for about two decades, it has been used nationally for over half a century and is an incentive to boost targeted development projects in blighted and substandard areas.

Naumann then proceeded to explain the TIF process. TIF does not impact current tax collections. Taxes derived from the increases in assessed value is the increment resulting from the new

development and increased valuations are used to pay infrastructure costs and related development expenditures in the TIF districts. In 1980, the Nebraska voters approved a constitutional amendment permitting the use of TIF to help finance development in blighted and substandard areas.

Naumann advised that Downtown Lincoln was the first area to use TIF, and it was identified as blighted and substandard. There has been response to the needs of other blighted areas in the city and additional redevelopment plans were drafted that enabled TIF to be used on N. 27th Street, Havelock, University Place, Antelope Valley, 48th & O and now West "O". West "O" Street meets the criteria of the Legislature to be declared as blighted and substandard.

2. Don Wesely appeared on behalf of **Lincoln Poultry and Nebraska Machinery** in support of the designation of blighted and substandard because it is essential to the Lincoln Poultry project which was on today's agenda and will be heard on August 31st. The blight designation leads to a redevelopment plan and Lincoln Poultry's intention is to come back with a redevelopment agreement that will be a major investment along West "O" Street. It is essential that this area be declared blighted and substandard; otherwise, the Lincoln Poultry project will not happen. The Lincoln Poultry site includes about 74 acres that would be annexed by the city. Lincoln Poultry only needs about 20.3 acres, leaving 45 acres for other development. There is a need for industrial land in this city. We need more sewer and services in place for industrial property. Without the blight designation and TIF funding, Lincoln Poultry will not be able to proceed. Next to Lincoln Poultry is an area that goes to NW 56th which is Nebraska Machinery property. They also desire to move forward with a new project and are working on the first phase, which is a truck facility. The bulk of the project waits for this designation and the potential for TIF.

3. Randy Haas, 9440 Montello Road, President of **West "O" Area Business Association**, which has been in existence for over 20 years and has recently grown to over 100 members, testified in support. He concurred that about two years ago, the association started working with Urban Development to explore ways to improve the West "O" area for business conditions and as an entrance to the city. The association helped pay for the blight study and is very interested in streetscape improvements for a better impression of the West "O" area. With the Harris Overpass reconstruction, it is pretty imminent that improving the West "O" area is a good addition to the city.

4. Carl Sjulín, President of **West Gate Bank**, testified in support. West Gate Bank was founded in 1968 on West "O" Street at Capitol Beach Boulevard, and has been very involved in financing businesses in the proposed redevelopment area for 37 years. Although West "O" has experienced some level of economic activity, it has lagged in comparison with the other areas of Lincoln. Adoption of the redevelopment proposal will be the first step toward maintaining this a much better area. The availability of TIF for projects would significantly increase the amount of economic development and help jump start growth in this area. This will also help in the concentric growth concept. TIF will also help with some of the improvements and infrastructure that are not in this area that are available in other parts of the city. West "O" has tremendous potential.

There was no testimony in opposition.

ACTION BY PLANNING COMMISSION:

August 17, 2005

Larson moved to find the West "O" Street Redevelopment Area as blighted and substandard, seconded by Carlson and carried 9-0: Esseks, Krieser, Pearson, Taylor, Sunderman, Carroll, Larson, Carlson and Bills-Strand voting 'yes'. This is a recommendation to the City Council.

West "O" Street Blight and Substandard Determination Study

Legal Description

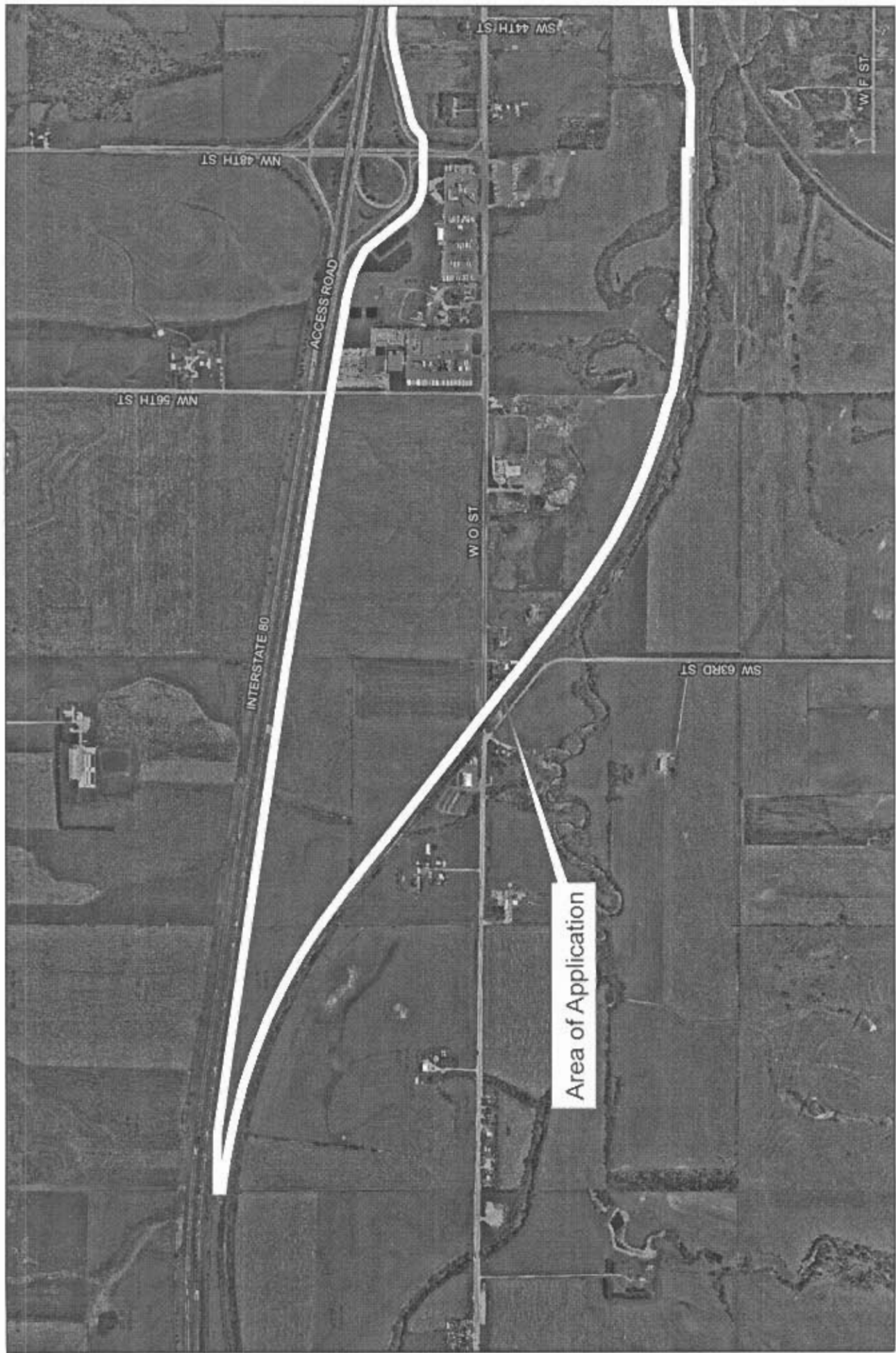
Appendix

The West "O" Redevelopment Area boundary is described as an area in or adjacent to the City of Lincoln, Lancaster County, Nebraska, described as follows: Beginning at the intersection of the West line of Lot 35 in Section 23, Township 10 North Range 5 East of the 6 P.M. and the Interstate Highway 80 Right of Way, thence continuing in a Southeasterly direction along the South Right of Way line of Interstate Highway 80 to the Southeast corner of intersection of such Interstate Highway 80 Right of Way and Northwest 27 Street, thence South along the East line of Northwest 27 Street to the Southeast corner of the intersection of West Q Street and Northwest 27 Street, thence East along the South line of West Q Street to the Northeast corner of Irregular Tract Lot 210 in the Southwest Quarter of Section 21, Township 10 North, Range 6 East of the 6 P.M., thence Southeast along the East line of said Lot 210 to the intersection of such line with the North line of Irregular Tract Lot 209 in such section, thence in an Easterly direction to the Southwest corner of Irregular Tract Lot 94 in said Section, thence North along the West line of said Lot 94 to the Northwest corner of said Lot 94, thence East along the North line of said Lot 94 and continuing East to a point on the West line of Northwest 24 Street, thence South along the West line of Northwest 24 Street to the intersection of such line in the extended South line of Lot A, Bolton Addition, thence East along such line to a point on the East line of Northwest 22 Street, thence North along said East line to the Southwest corner of Lots 41 through 44, Block 2, North Manchester Addition, thence East along said South line and continuing on such line extended to a point on the West line of Northwest 20th Street, thence North along said West line to a point on the South line of Lot 1, Quattrocchi Addition, extended, thence East along said line and continuing on such line extended to the Southeast corner of Lot 10, Block 10, Woods Brothers Lakeview Acres, thence North along the East line of said Lot 10 to the South line of West Q Street, thence East along the South line of West Q Street to the Southwest corner of the intersection of West Q Street and Northwest 18 Street, thence South along the East line of Northwest 18 Street to the Southwest corner of Lot 9, Block 11, Woods Brothers Lakeview Acres, thence East along the South line of said Lot 9 and continuing East on said lot line extended to a point on the East line of Capitol Beach Boulevard, thence South along said East line to the Northeast corner of the intersection of Capitol Beach Boulevard and West P Street, thence East along the North line of West P Street to the Northwest corner of the intersection of West P Street and Sun Valley Boulevard, thence Northeasterly along the West line of Sun Valley Boulevard to a point on the South line of West Gate Park for Business and Industry, thence due East to a point on the West line of Salt Creek, thence in a Northeasterly direction along said West line of Salt Creek to a point on the East line of 2 Street, thence South along the East line of Second Street to the Northeast corner of the intersection of 2 Street and P Street, thence East along the North line of P Street to the Southeast corner of Lot 8, Block 254, Original Plat, thence South across P Street and along the East line of Lot 5, and the East line of Lot 10, Block 249, Original Plat to a point on the North line of O Street, thence East along the North line of O Street to the Northeast corner of the intersection of O Street and 9 Street, thence South along the East line of 9 Street to the Southeast

West "O" Street Blight and Substandard Determination Study

corner of the intersection of O Street and 9 Street, thence West along the South th line of O Street to the Southwest corner of the intersection of O Street and 3rd Street, thence South along the West line of 3 Street to the Northwest corner of the rd intersection of N Street and 3 Street, thence West along the North line of N Street rd to the Northeast corner of the intersection of N Street and 2 Street, thence South nd along the East line of 2 Street to the Southeast corner of the intersection of 2 nd nd Street and L Street, thence West along the South line of L Street to a point on the West line of Lot 9, Union Land Co. subdivision, thence South to the Southeast corner of said Lot 9, thence West along said South line of Lot 9 and continuing West to the Southwest corner of Irregular Tract Lot 98 of the Northeast Quarter of Section 27, Township 10 North, Range 6 East of the 6 P.M., thence th Northwest/North along the West side of said Lot 98 to the Northeast corner of Irregular Tract Lot 109 in the Northwest Quarter of Section 27, Township 10 North, Range 6 East of the 6 P.M., thence in a West/Southwesterly direction along the th South line of said Lot 109 to its intersection with the Burlington Northern Railroad Right of Way, thence continuing in a Southwesterly direction along the South line of the Burlington Northern Railroad Right of Way to the intersection of such Right of Way and the West line of Capital Beach Boulevard, thence North along the West line of Capital Beach Boulevard to the North line of said Burlington Northern Railroad Right of Way, thence in a Westerly direction along the North line of said Burlington Northern Railroad Right of Way to a point on the West line of Lot 35 in Section 23, Township 10 North Range 5 East of the 6 P.M., Lancaster County, th Nebraska, thence North along said West line to the point of beginning.

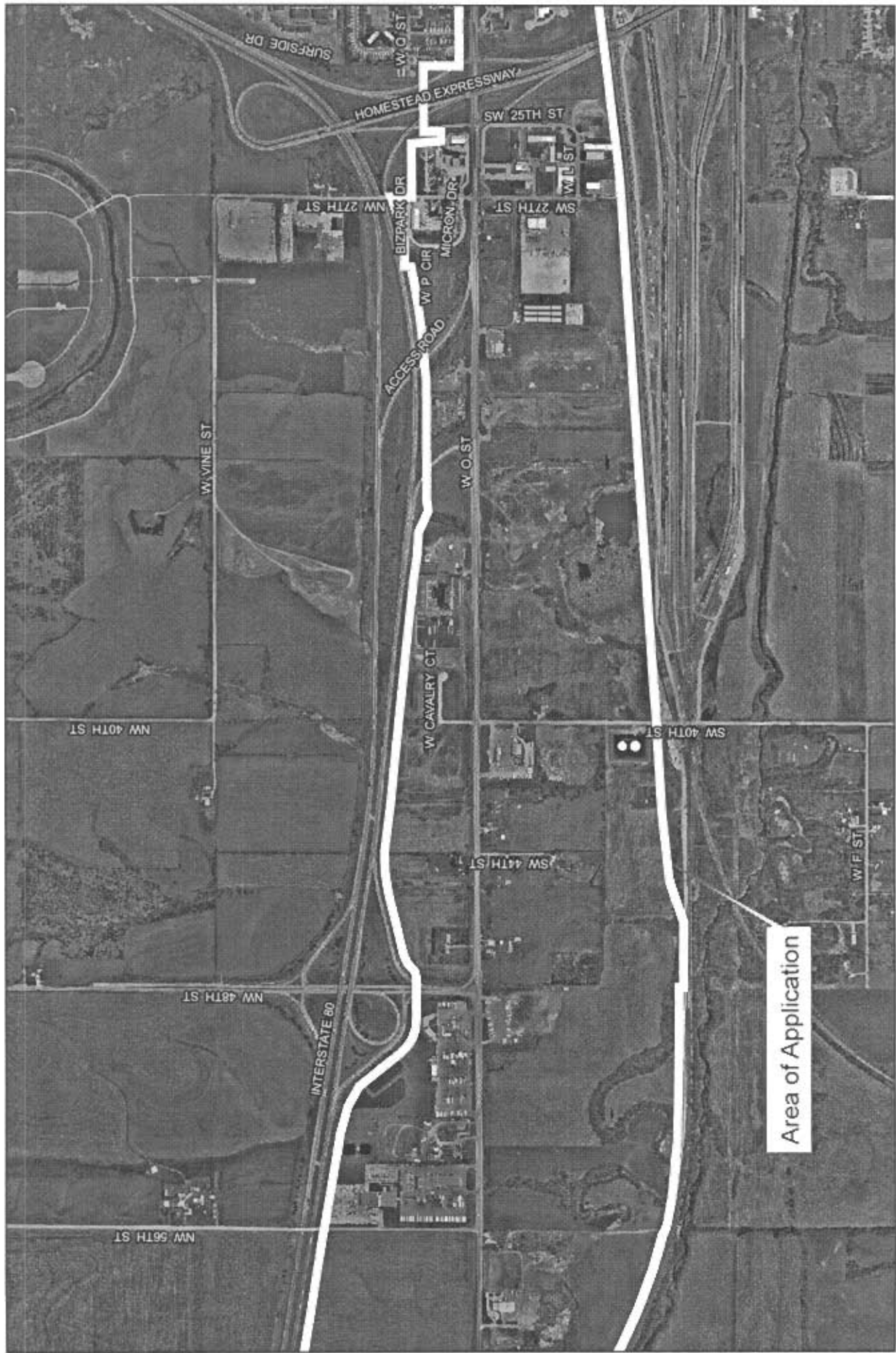
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2005 aerial

Sheet 2 of 4

Miscellaneous #05015
West 'O' Blight Study

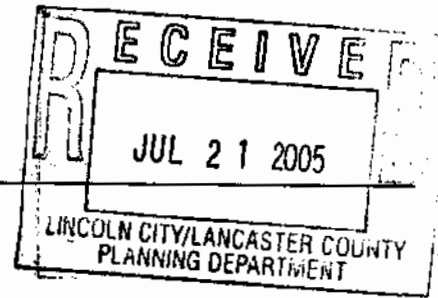


2005 aerial

Sheet 3 of 4

Miscellaneous #05015
West 'O' Blight Study

interoffice
MEMORANDUM



To: Marvin Krout, Planning Department
From: Marc Wullschleger, Urban Development
Date: July 21, 2005
Subject: West O Blight and Substandard Determination Study

cc: Ernie Castillo, Urban Development
Wynn Hjermstad, Urban Development
Darl Naumann, Mayor's Office

The *West O Redevelopment Area, Lincoln, Nebraska, Blight and Substandard Determination Study* was completed in June, 2005, by Hanna: Keelan Associates, P.C. The opinion of the consultant based on the findings of the Study is that the area warrants designation as blighted and substandard.

I realize the deadline for the August 17, 2005 Planning Commission is 4pm today, but Hanna: Keelan will not be delivering the copies of the study until tomorrow and I will send them immediately to your office. Please schedule this for the August 17, 2005, Planning Commission meeting.

If you have questions or need additional information, please contact Ernie Castillo at 1.7855 or by e-mail: ecastillo@ci.lincoln.ne.us.

BLIGHT AND SUBSTANDARD DETERMINATION STUDY

EXECUTIVE SUMMARY

Purpose of Study/Conclusion

The purpose of this Study is to determine whether all or part of the designated West "O" Street Redevelopment Area, in Lincoln, Nebraska, qualifies as a **blighted and substandard area**, within the definition set forth in the Nebraska Community Development Law, Section 18-2103.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the West "O" Street Redevelopment Area, referred to as the **Redevelopment Area**. Illustration 1 delineates the Area in relation to the City of Lincoln.

The West "O" Redevelopment Area boundary is described as an area in or adjacent to the City of Lincoln, Lancaster County, Nebraska, described as follows: Beginning at the intersection of the West line of Lot 35 in Section 23, Township 10 North Range 5 East of the 6th P.M. and the Interstate Highway 80 Right of Way, thence continuing in a Southeasterly direction along the South Right of Way line of Interstate Highway 80 to the Southeast corner of intersection of such Interstate Highway 80 Right of Way and Northwest 27th Street, thence South along the East line of Northwest 27th Street to the Southeast corner of the intersection of West Q Street and Northwest 27th Street, thence East along the South line of West Q Street to the Northeast corner of Irregular Tract Lot 210 in the Southwest Quarter of Section 21, Township 10 North, Range 6 East of the 6th P.M., thence Southeast along the East line of said Lot 210 to the intersection of such line with the North line of Irregular Tract Lot 209 in such section, thence in an Easterly direction to the Southwest corner of Irregular Tract Lot 94 in said Section, thence North along the West line of said Lot 94 to the Northwest corner of said Lot 94, thence East along the North line of said Lot 94 and continuing East to a point on the West line of Northwest 24th Street, thence South along the West line of Northwest 24th Street to the intersection of such line in the extended South line of Lot A, Bolton Addition, thence East along such line to a point on the East line of Northwest 22nd Street, thence North along said East line to the Southwest corner of Lots 41 through 44, Block 2, North Manchester Addition, thence East along said South line and continuing on such line extended to a point on the West line of Northwest 20th Street, thence North along said West line to a point on the South line of Lot 1, Quattrocchi Addition, extended, thence East along said line and continuing on such line extended to the Southeast corner of Lot 10, Block 10, Woods Brothers Lakeview Acres, thence North along the East line of said Lot 10 to the South line of West Q Street, thence East along the South line of West Q Street to the Southwest corner of the intersection of West Q Street and Northwest 18th Street, thence South along the East line of Northwest 18th Street to the Southwest corner of Lot 9, Block 11, Woods Brothers

Lakeview Acres, thence East along the South line of said Lot 9 and continuing East on said lot line extended to a point on the East line of Capitol Beach Boulevard, thence South along said East line to the Northeast corner of the intersection of Capitol Beach Boulevard and West P Street, thence East along the North line of West P Street to the Northwest corner of the intersection of West P Street and Sun Valley Boulevard, thence Northeasterly along the West line of Sun Valley Boulevard to a point on the South line of West Gate Park for Business and Industry, thence due East to a point on the West line of Salt Creek, thence in a Northeasterly direction along said West line of Salt Creek to a point on the East line of 2nd Street, thence South along the East line of Second Street to the Northeast corner of the intersection of 2nd Street and P Street, thence East along the North line of P Street to the Southeast corner of Lot 8, Block 254, Original Plat, thence South across P Street and along the East line of Lot 5, and the East line of Lot 10, Block 249, Original Plat to a point on the North line of O Street, thence East along the North line of O Street to the Northeast corner of the intersection of O Street and 9th Street, thence South along the East line of 9th Street to the Southeast corner of the intersection of O Street and 9th Street, thence West along the South line of O Street to the Southwest corner of the intersection of O Street and 3rd Street, thence South along the West line of 3rd Street to the Northwest corner of the intersection of N Street and 3rd Street, thence West along the North line of N Street to the Northeast corner of the intersection of N Street and 2nd Street, thence South along the East line of 2nd Street to the Southeast corner of the intersection of 2nd Street and L Street, thence West along the South line of L Street to a point on the West line of Lot 9, Union Land Co. subdivision, thence South to the Southeast corner of said Lot 9, thence West along said South line of Lot 9 and continuing West to the Southwest corner of Irregular Tract Lot 98 of the Northeast Quarter of Section 27, Township 10 North, Range 6 East of the 6th P.M., thence Northwest/North along the West side of said Lot 98 to the Northeast corner of Irregular Tract Lot 109 in the Northwest Quarter of Section 27, Township 10 North, Range 6 East of the 6th P.M., thence in a West/Southwesterly direction along the South line of said Lot 109 to its intersection with the Burlington Northern Railroad Right of Way, thence continuing in a Southwesterly direction along the South line of the Burlington Northern Railroad Right of Way to the intersection of such Right of Way and the West line of Capital Beach Boulevard, thence North along the West line of Capital Beach Boulevard to the North line of said Burlington Northern Railroad Right of Way, thence in a Westerly direction along the North line of said Burlington Northern Railroad Right of Way to a point on the West line of Lot 35 in Section 23, Township 10 North Range 5 East of the 6th P.M., Lancaster County, Nebraska, thence North along said West line to the point of beginning.

SUBSTANDARD AREA

As set forth in the Nebraska legislation, a **substandard area** shall mean one which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the presence of:

1. Dilapidated/deterioration;
2. Age or obsolescence;
3. Inadequate provision for ventilation, light, air, sanitation or open spaces;
4.
 - (a) High density of population and overcrowding; or
 - (b) The existence of conditions which endanger life or property by fire and other causes; or
 - © Any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, and is detrimental to the public health, safety, morals or welfare.

This evaluation included a detailed exterior structural survey of 255 structures, a parcel-by-parcel field inventory, conversations with pertinent City of Lincoln department staff and a review of available reports and documents containing information which could substantiate the existence of substandard conditions.

BLIGHTED AREA

As set forth in the Section 18-2103 (11) Nebraska Revised Statutes (Cumulative Supplement 1994), a **blighted area** shall mean "an area, which by reason of the presence of:

1. A substantial number of deteriorated or deteriorating structures;
2. Existence of defective or inadequate street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
4. Insanitary or unsafe conditions;
5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;
8. Defective or unusual conditions of title;

9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. Any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability; and
12. Is detrimental to the public health, safety, morals or welfare in its present condition and use; and in which there is at least one or more of the following conditions exists;
 1. Unemployment in the study or designated blighted area is at least one hundred twenty percent of the state or national average;
 2. The average age of the residential or commercial units in the area is at least 40 years;
 3. More than half of the plotted and subdivided property in an area is unimproved land that has been within the city for 40 years and has remained unimproved during that time;
 4. The per capita income of the study or designated blighted area is lower than the average per capita income of the city or village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

While it may be concluded the mere presence of a majority of the stated factors may be sufficient to make a finding of blighted and substandard, this evaluation was made on the basis that existing blighted and substandard factors must be present to an extent which would lead reasonable persons to conclude public intervention is appropriate or necessary to assist with any development or redevelopment activities. Secondly, the distribution of blighted and substandard factors throughout the Redevelopment Area must be reasonably distributed so basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Redevelopment Area is found to be eligible as "blighted" and "substandard", within the definition set forth in the legislation. Specifically:

SUBSTANDARD FACTORS

Of the four factors set forth in the Nebraska Community Development Law, one factor in the Redevelopment Area was found to be present to a strong extent, while the remaining factors were present to a reasonable, but less significant extent.

The substandard factors, present in the Area, are reasonably distributed. The factor determined to have a strong presence is the existence of conditions which endanger life or property by fire and other causes. The factors, dilapidated/deteriorating structures, age or obsolescence of structures and inadequate provision for ventilation, light, air, sanitation or open spaces, were determined to have a reasonable presence of substandardness.

**TABLE 1
SUBSTANDARD FACTORS
WEST "O" STREET REDEVELOPMENT AREA
LINCOLN, NEBRASKA**

1.	Dilapidated/deterioration.	■
2.	Age or obsolescence.	■
3.	Inadequate provision for ventilation, light, air, sanitation or open spaces.	■
4.	Existence of conditions which endanger life or property by fire and other causes.	■
Strong Presence of Factor		■
Reasonable Presence of Factor		■
No Presence of Factor		○

Source: Hanna:Keelan Associates, P.C., 2005

STRONG PRESENCE OF FACTOR -

The parcel-by-parcel field analysis determined that the substandard factor *existence of conditions which endanger life or property* by fire and other causes was a strong presence throughout the Redevelopment Area. The primary contributing factors include masonry buildings with wood frame components and areas with water and sewer mains ranging in age from 40 to 80+ years of age.

REASONABLE PRESENCE OF FACTOR -

The field study method used to analyze exterior building conditions determined that 48, or 18.9 percent of the 255 total structures, in the Redevelopment Area, were *deteriorating or dilapidated*. This factor is a reasonable presence throughout the Area.

Based on the results of a parcel-by-parcel field analysis, approximately 69 (23.1 percent) of the total 255 structures within the Redevelopment Area are *40+ years of age* (built prior to 1965). The factor of age or obsolescence is a reasonable presence in the Redevelopment Area.

The conditions which result in *inadequate provision for ventilation, light, air, sanitation or open space* is reasonably present and distributed throughout the Redevelopment Area.

The prevailing substandard conditions evident in buildings and the public infrastructure, as determined by the field survey, include:

1. Dilapidated/deteriorated structures;
2. Aging structures;
3. "Fair" to "Poor" site conditions;
4. Aging of underground utilities;
5. Frame buildings and wood structural components in masonry buildings as potential fire hazards; and
6. Parcels lacking sidewalks.

BLIGHT FACTORS

Of the 12 factors set forth in the Nebraska Community Development Law, six are present to a strong extent, in the Redevelopment Area, and four are present to a reasonable, but more limited extent. The factors of tax or special assessment exceeding the fair value of land and defective or unusual condition of title were determined not to be blighted factors. The blighting factors, which are present, are reasonably distributed throughout the West "O" Street Redevelopment Area.

**TABLE 2
BLIGHT FACTORS
WEST "O" STREET REDEVELOPMENT AREA
LINCOLN, NEBRASKA**

1.	A substantial number of deteriorated or deteriorating structures.	■
2.	Existence of defective or inadequate street layout.	■
3.	Faulty lot layout in relation to size, adequacy, accessibility or usefulness.	■
4.	Insanitary or unsafe conditions.	■
5.	Deterioration of site or other improvements.	■
6.	Diversity of Ownership.	■
7.	Tax or special assessment exceeding the fair value of land.	○
8.	Defective or unusual condition of title.	○
9.	Improper subdivision or obsolete platting.	■
10.	The existence of conditions which endanger life or property by fire or other causes.	■
11.	Other environmental and blighting factors.	■
12.	One of the other five conditions.	■
	Strong Presence of Factor	■
	Reasonable Presence of Factor	■
	Little or No Presence of Factor	○

Source: Hanna:Keelan Associates, P.C., 2005

STRONG PRESENCE OF FACTOR -

Faulty lot layout exists to a strong extent throughout the Redevelopment Area. Conditions contributing to the presence of this factor include inadequate lot sizes, limited pedestrian circulation and lack of planned open space.

Insanitary or unsafe conditions are strongly present throughout the Redevelopment Area. Contributing factors include 64.9 percent of the total 322 parcels having "fair" to "poor" overall site condition and the advanced age of utility mains.

Deterioration of site or other improvements is a strong presence throughout the Redevelopment Area. A significant number and percentage of parcels in the Area have "fair" to "poor" overall site conditions. Deteriorating infrastructure also contributes to the strong presence of this factor.

Improper subdivision or obsolete platting is a strong presence throughout the Redevelopment Area. Generally, lot sizes are too large for efficient development, based on today's planning standards. Irregular tracks of land range in area from 15 to 45 acres, or more. Single parcels of land areas of these sizes led owners or developers to subdivide the parcel in a piecemeal fashion, rather than as a unified subdivision.

The **existence of conditions which endanger life or property** by fire or other causes is strongly present throughout the Redevelopment Area.

In regards to **other environmental and blighting factors**, the presence of economically and socially undesirable land uses is strongly present throughout the Redevelopment Area.

REASONABLE PRESENCE OF FACTOR -

Deteriorated or dilapidated structures are a reasonable presence in the Redevelopment Area. A total of 23.1 percent of the 255 structures were found to be deteriorated or dilapidated.

Defective or inadequate street layout is reasonably present, due to a significant amount of streets being dead end or loop streets and the lack of sidewalks.

Diversity of ownership is reasonably present throughout the Redevelopment Area, with 264 total owners based on unduplicated owners on a block-by-block basis.

One of the required five additional blight factors have a reasonable presence throughout the Redevelopment Area. According to the field analysis, the average age of commercial buildings is 33.8 years and residential buildings is 40.2 years.

BASIS FOR REDEVELOPMENT

For a project in Lincoln to be eligible for redevelopment under the Nebraska Community Development Law, the subject area or areas must first qualify as both a "substandard" and "blighted" area, within the definition set forth in the Nebraska Community Development Law. This Study has been undertaken to determine whether conditions exist which would warrant designation of the Redevelopment Area as a "blighted and substandard area" in accordance with provisions of the law.

As set forth in Section 18-2103 (10) Neb. Rev. Stat. (Cumulative Supplement 1994), **substandard area** shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the following:

1. Dilapidation/deterioration;
2. Age or obsolescence;
3. Inadequate provision for ventilation, light, air, sanitation or open spaces;
4.
 - (a) High density of population and overcrowding; or
 - (b) The existence of conditions which endanger life or property by fire and other causes; or
 - (c) Any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, and is detrimental to the public health, safety, morals or welfare.

As set forth in the Nebraska legislation, a **blighted area** shall mean an area, which by reason of the presence of:

1. A substantial number of deteriorated or deteriorating structures;
2. Existence of defective or inadequate street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
4. Insanitary or unsafe conditions;
5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;
8. Defective or unusual conditions of title;

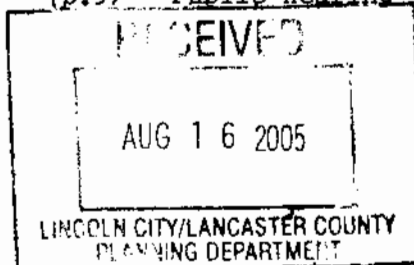
9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. Any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability;
12. Is detrimental to the public health, safety, morals, or welfare in its present condition and use; and in which there is at least one of the following conditions:
 1. Unemployment in the designated blighted area is at least one hundred twenty percent of the state or national average;
 2. The average age of the residential or commercial units in the area is at least 40 years;
 3. More than half of the plotted and subdivided property in the area is unimproved land that has been within the city for 40 years and has remained unimproved during that time;
 4. The per capita income of the designated blighted area is lower than the average per capita income of the city or village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

The Consultant for the West "O" Street Redevelopment Area Blight and Substandard Determination Study was guided by the premise that the finding of blight and substandard must be defensible and sufficient evidence of the presence of factors should exist so members of the Lincoln City Council (local governing body), acting as reasonable and prudent persons, could conclude public intervention is necessary or appropriate. Therefore, each factor was evaluated in the context of the extent of its presence and the collective impact of all factors found to be present.

Also, these deficiencies should be reasonably distributed throughout the Redevelopment Area. Such a "reasonable distribution of deficiencies test" would preclude localities from taking concentrated areas of blight and expanding them arbitrarily into non-blighted areas for planning or other reasons. The only exception which should be made to this rule is where projects must be brought to a logical boundary to accommodate new development and ensure accessibility, but even in this instance, the conclusion of such areas should be minimal and related to an area otherwise meeting the reasonable distribution of deficiencies test.

LINCOLN*The Community of Opportunity*

Chamber of Commerce

**ACCREDITED**
★ ★ ★ ★ ★

Mary Bills-Strand, Chair
Planning Commission
555 South 10th Street
Lincoln, NE 68508

RE: Support West "O" Redevelopment

Madam Chair and Planning Commission Members:

The Lincoln Chamber of Commerce urges your adoption of the West O Blight and Substandard Determination study recently completed by the City of Lincoln.

The City is to be commended for their attention to this area of our city, which is one of the key gateways into our community. The study, prepared by Hanna Keelan Associates in association with Kevin C. Siebert, clearly documents the study area fits state law criteria for the determination. As you are aware, this determination is a necessary precursor for the use of T.I.F (tax increment financing).

We are encouraged by the City's pro-active efforts to ensure reinvestment and revitalization of the West "O" area. The Lincoln Chamber of Commerce believes this is a necessary element for successful economic development projects in the area. In fact, we are aware of at least two projects that have already been identified and are moving forward. We urge your adoption of this study.

Sincerely,

Wendy Birdsall, CCE
Interim President

cc: Mayor Coleen Seng
Planning Commission

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